

DD/A REGISTRY

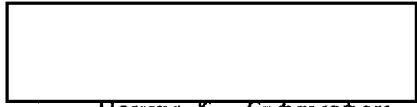
ROUTING AND RECORD SHEET

FILE: *Personnel*

SUBJECT: (Optional) Hiring Freeze				DD/A Registry 81- 0000 140/1	
FROM: Harry E. Fitzwater Director of Personnel Policy, Planning, and Management			EXTENSION 	NO. 	DATE 5 February 1981
TO: (Officer designation, room number, and building)			OFFICER'S INITIALS		
DATE RECEIVED FORWARDED			COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)		
1. Acting Deputy Director for Administration			Bill,		
2.			The attached draft memo is submitted for your review ASAP. The memo was hurriedly written and is lengthy, but as you realize it is difficult to be specific without being wordy. As you will note, I elected to leave in the 530 in-process and attorneys. These can be discussed at our next meeting.		
3.			After you have had a chance to review the paper, I will call another meeting to discuss and finalize the memo.		
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 Harry E. Fitzwater

Att

5 February
Thursday
1700

D R A F T - 5 February 1981

The Honorable David Alan Stockman
Director
Office of Management and Budget
Washington, D. C. 20503

Dear Dave:

I have received from my senior staff their assessment of the impact of the President's hiring freeze on their programs. While there are many serious problems throughout the Agency, I have pared the list of reported critical requirements to only those categories discussed below:

a. Applicants Currently in Process

-- As of 1 February we had 530 applicants in process who were given commitment letters subsequent to 5 November 1980. Of these, under ideal conditions, only 265 would survive the clearance process.

-- Our hiring situation is made even more acute because of the classified nature of our work. As a prerequisite to employment, applicants must undergo an extensive, time-consuming, and expensive security investigation. The process takes months. We regularly lose many applicants because of this lengthy processing time and the fact that we are recruiting individuals for whom there are many competing employment opportunities. To delay the hiring of fully cleared applicants merely increases their loss.

-- Because of our unique hiring problems, a considerable investment of time and money has been spent in the recruitment, advertising, selection and investigative screening of those applicants currently in process. These 530 have been selected from among approximately 15,000 applicants. It would be an indefensible

waste not to continue the processing of these applicants and not to allow those that pass the process to report for duty. We will lose most of these applicants unless we can assure them that they will be hired if cleared.

-- It is important and in our best interest to treat this entire group as exempted from the freeze in order to realize a return on the investment already made in them.

b. Communications

Foreign: The Agency's Office of Communications provides a world-

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tions. At this time the Office of Communications is understaffed by 100 personnel. Unless it can fill its current staffing requirements, STAT new facilities at sensitive overseas areas cannot be manned-- a serious loss to our Operations Directorate's clandestine activity. Plans to expand six important posts will have to be cancelled. Moreover, STAT man stations to three-man; three-man to two-man; and two-man STAT stations to one-man. These cuts would reduce operations by percent STAT and traffic handling by percent. If the current shortages of personnel in this Office continue it will be necessary to eliminate an African base station with the result that 40 percent of the traffic now transmitted electrically would have to be sent by dispatch and pouch, with the obvious crippling delay involved.

Domestic: The Office of Communications is also responsible for the maintenance and repair of the Headquarters telephone service and

STAT It is now projecting an increase in overtime of 66 percent in 1981, but if the freeze continues an

additional 10 percent will be necessary. Despite this overtime, a significant delay will occur in response time to maintenance and repair of the Headquarters area telephone service

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-- The Office's Engineering Division is responsible for the design, modification and modernization of systems and equipment such as MERCURY, SKYLINK, and secure voice. Current manpower shortages will force a curtailment of all these activities.

The impact of measures taken to alleviate the understaffing problem and maintain worldwide communications are already evident in stress-related illnesses, increased attrition because of employee dissatisfaction and a steady increase in requests for transfers out of the Office. Given the current critical shortages which exist in this Office so vital to the Nation's secure

communications network and our intelligence effort, the Office of Communications must be allowed to fill all of its current vacancies and future vacancies within their authorized ceiling.

c. Hard-to-Get Critical Skills

-- The following occupational groupings are critical to the fulfillment of our mission:

<u>Occupational Category</u>	Existing Vacancies <u>Attrition Through</u> <u>End of FY-1981</u>	<u>In Process</u>
Communications Specialists	149*	36
Operations Officers	200	58
Engineers and Physical Scientists	75	86
Computer Specialists	24	19
Guards , Security Officers and Couriers	43	31
Linguists	20	14
Clericals	164	244
Attorneys	15	0
Totals	590	488
<i>includes</i> plus existing vacancies	100	
	690	

-- The impact of a hiring freeze on the above critical categories follows:

Operations Officers - The 1978-79 Operations Directorate's personnel reductions, combined with a very high retirement attrition, resulted in the loss of thousands of man-years of experience, the present shortage of 100 officers, and a projected shortage of 200 by the end of

FY-1981. This understrength coincides with dramatic increases in demands for clandestine human intelligence collection against economic, monetary, nuclear, science and technology and political targets; the "rebirth" of covert action generated by events in the Near East, Latin America and Africa; the influx of [REDACTED]

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and the necessity to open new stations overseas.

In spite of a hostile overseas environment, making overseas assignment less than attractive, a major recruiting effort was beginning to make up the deficit in these officers. Under ideal conditions these officers are hard to recruit; they are usually employed, and often at salaries higher than we can afford to pay, and because of their qualifications they are in great demand in both the public and private sectors. It is necessary that an input of 160 Career Trainees and 40 non-official cover officers be recruited annually in order to reach and maintain ceiling. The interrelationship of hiring and training these officers is inextricable; it is one process and when one part of the chain is broken the entire process is thrown awry. Because of length of processing and availability of training resources, new applicants are not available for operations production for at least 20 months after being placed in process. Even if the freeze were lifted now it is doubtful that there would be an output class from these recruits until spring 1983. In summary, the full hiring freeze will cause major problems for the Operations Directorate. over both the short- and long-term.

Engineers/Physical Scientists - It has been impossible to fill the requirements for these occupational skills since they are in critically short supply nationally and are in great demand in the private sector. With the limitation in salaries, CIA has great

difficulty competing with industry for the quality of officers needed for our scientific work. Eight months ago we mounted a major recruitment drive for engineers that was beginning to pay dividends as is evident by 86 in process for 112 current and projected attrition requirements--although we would be fortunate to bring on-duty half of those in process. The freeze will primarily impact on the Science and Technology Directorate in the Offices of Development and Engineering, National Photographic Interpretation Center, SIGINT Operations and the Office of Logistics. Newly funded and sensitive programs cannot help but suffer. The Office of Scientific and Weapons Research will be hampered in making timely analysis of space weapons systems, nuclear warheads and computer technology.

Computer Scientists - The Agency is heavily dependent on computers to carry out its essential intelligence collection, analysis, production and administrative functions. Failure to keep most of the computer positions filled will mean a total disruption in the computer work of the Agency. In addition, the starting date of the interactive computer Project SAFE (Support for Analysts File Environment) will be delayed, as will large numbers of applications programs. Vast amounts of overtime will be required just to keep the present highly sophisticated computer system in operation should there be no relief from the freeze. Like engineers, this occupational group is highly competitive in the labor market and difficult to recruit.

Guards, Security Officers and Couriers - This occupational category is vital to the protection of highly sensitive classified information and installations, both in the Headquarters area and overseas.

-- The security officers are in demand for investigation and clearance of Agency applicants and individuals involved in classified industrial projects. These officers are involved also in counterintelligence and anti-terrorism activities overseas.

-- The courier group services over [] delivery/pick-up points around the world and around the clock. We are currently under strength by one-third of our authorized ceiling in this category, requiring that these employees work large amounts of overtime and seven days a week. To live with the situation we have cut courier runs to a minimum in the face of increasing demands. Since these individuals are low graded, it is difficult to recruit suitable candidates that can be cleared for this highly sensitive and important job. We are always short of this occupational group and unless an exception to the freeze is granted, professionals will be serving as couriers and guards.

Linguists - Skilled linguists are a vanishing breed in America. This comes at a time of increased demand for linguists by both the government and multinational corporations. For example, increased requirements to translate documents from the Muslim world have been levied on []

[]
officers for very esoteric languages overseas. At this time this Directorate is 50 percent below its language capability need. In many cases, there are only a few people in the United States who speak and read the more difficult languages. Once an applicant with a language capability is found, we consider it absolutely necessary to hire the person if he/she meets other necessary qualifications.

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Clericals - Here we are concerned not only with typists and stenographers to produce our large numbers of intelligence reports, but also the file clerks who gather data and the payroll clerks to ensure that employees are paid.

-- Based on earlier moratoriums on hiring, the Operations Directorate already has 75 clerical vacancies in Headquarters and 30 in the field. Under normal conditions, we employ wives as clerical workers under part-time contracts in the field, thus saving millions of dollars a year in moving full-time career secretaries from Headquarters. The present freeze prohibits us from taking advantage of these savings. As another example of the impact of the freeze on hiring clericals, the Office of Central Reference will be two months behind in providing documents needed by the analysts to write intelligence reports. In short, all the work of the Agency will take longer to produce as clerical vacancies increase because of the freeze. Because of the demands for these people in all sectors of the economy they are always in short supply. A total hiring freeze of clericals for a lengthy period would result in a significant stopping of the work of the Agency.

Attorneys - Starting with a small number of positions, our General Counsel's Office expects to be at only half strength if the freeze should continue the rest of this fiscal year. The work of the Office of General Counsel (OGC) is being driven by almost 200 cases in active litigation. The Director's statutory authority and sensitive sources and methods will be seriously compromised unless OGC is adequately staffed. In addition, high priority must be given to operational opportunities within extremely short deadlines.

d. Critical Skills (Not hard-to-get)

<u>Occupational Category</u>	<u>Attrition Through End of FY-1981</u>	<u>In Process</u>
Production Analysts	145	20

The impact of a continuing hiring freeze follows:

Production Analysts - In the Congressional-approved budget for FY-1981 the National Foreign Assessment Center (NFAC) was authorized an additional 64 positions and projects losses of an additional 145 people through the end of FY-1981.

-- NFAC's research on geographic, economic and political issues will be most affected by the freeze. NFAC does not have enough people working on required aspects of the Third World. Critical subjects that cannot be addressed because of the lack of analysts with the necessary backgrounds, and because the people presently employed on Third World subjects are heavily engaged in current intelligence on crises rather than in research. The areas where we are unable to meet our research objectives include:

Central America and the Caribbean; Egypt and Saudi Arabia; Eastern Europe; energy shortages South Africa; and factors supporting Third World political instability.

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-- Fifty to sixty analysts with the following skills are needed: 15 economists with various area specialities and/or background in energy topics; 20 people from among the disciplines of anthropology, political/cultural geography, demography, critical non-fuel resources; and 20 people with area expertise in Latin America (particularly Central America, Brazil), Africa, and the Middle East (especially Egypt, Saudi Arabia and the lesser Gulf States).

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-- In the absence to hire at least 145 of the above category, I expect degradation to CIA's intelligence production.

In summary, the minimum relief I have discussed above will allow me to fulfill my statutory responsibilities as Director at an acceptable level while at the same time will demonstrate my support of the President's effort to curb federal employment.

I am, of course, prepared to meet with you personally to discuss this request in greater detail.

Yours,

William J. Casey

-- In the absence to hire at least 145 of the above category, I expect degradation to CIA's intelligence production.

I recognize the importance that the President attaches to curbing Federal employment and I fully support him. At the same time I believe it equally important to be provided with the critical skills necessary to maintain national security.

I am, of course, prepared to meet with you personally to discuss this request in greater detail.

Yours,

William J. Casey